GrummanWorld

Volume 7, Number 15 | Our Employees Are Our Major Shareholders | August 5, 1988

O'Brien Succeeds Bierwirth As Chairman

On August 1, President John O'Brien became chairman of Grumman Corporation. He succeeded Jack Bierwirth who retired July 31.

"Jack not only kept Grumman independent, but he also created a sense of renewal and rediscovery within the company," said O'Brien. "He brought us together as a team dedicated to a common purpose.

"Long before it was necessary, Jack began to plan his own succession," continued O'Brien. "He managed it so that there was no destructive competition and so that I had a sense of his support and the board of directors' support throughout the transition.

"I believe I've come to know Jack pretty well. I've seen him angry, but I've never seen him lose his temper," added O'Brien. "I've never seen him fail to show respect to any human being. I've seen him make some tough decisions, but I've never seen him compromise a principle. I consider it a privilege to follow in his footsteps."

Grumman will continue to draw upon Bierwirth's experience; he is now a senior management consultant for the company.

Bierwirth is a professor at the State University of New York at Stony Brook. He will remain active in Long Island environmental issues, as chairman of the Nature Conservancy-Long Island Critical Areas Program, and as a member of the governing council of the Wilderness Society.

Bierwirth is also governor of the United Nations Association of the U.S.A., a member of the Yale-China Association, and a member of the board of trustees of the Center for the Study of the Presidency.

O'Brien joined Grumman in 1954 as a flight test analyst.

In 1960, he was assigned to Contracts Administration and became director of Contracts in 1966. Four years later, he was elected administrative vice president of Grumman Aerospace. In 1975, he was promoted to senior vice president-Administration and Resources.

He was named executive vice president for internal operations of Grumman Aerospace in 1979, and was appointed president of Grumman Data Systems Corporation in 1983, a post he kept when that Grumman subsidiary became a division.

John O'Brien

In January 1986, he was elected to the board of directors. He was elected president and chief operating officer of Grumman Corporation later that year. In January 1988, the board named him chief executive officer.

O'Brien was recently named a director of the New York State Business Council. He serves on the Council on Fiscal and Economic Priorities. This council, consisting of 21 key business, labor and academic leaders, advises the governor on spending, taxation, capital development, human resource development and other major state policy issues.■

Grumman Wins $92 Million USAF Contract

Data Systems' management information system to aid Pentagon operations

The U. S. Air Force Computer Acquisition Center, Hanscom AFB, Massachusetts, awarded Grumman a $25.8 million contract for the Headquarters Systems Replacement Program (HSRP), a computer management information system to serve Air Force Pentagon operations. The 12-year contract is valued at $92 million if all options are exercised.

Data Systems Division President Bob Myers said, "We welcome this opportunity to assist the Air Force in modernizing its computer hardware to update its information processing capabilities. We are confident that our winning proposal will prove to be an efficient, cost-effective solution well into the next century."

HSRP will be installed for the Air Force's Seventh Communications Group at the Pentagon. Data Systems will provide overall program management and systems engineering and integration including hardware installation, customized software and systems maintenance.

HSRP is an IBM-based system that will replace 23 Honeywell and Digital Equipment VAX-based computer systems. Some of HSRP's uses include resource tracking, planning and budgeting; tactical and strategic wargaming; force structuring; and many administrative tasks for the Office of the Secretary of the Air Force, the Secretary of Defense, the Joint Chiefs of Staff and the Air Staff.

HSRP's major features include enhanced software to give users easier access to information; consolidation of common system functions for increased efficiency; and increased responsiveness to system users. Accommodations for system expansion and growth are incorporated into the design yet fewer personnel will be required to monitor and support daily activities.

The new system will be totally compatible with the Group's remaining computers and Data Systems will develop and install HSRP without interrupting day-to-day operations.

A team of four major subcontractors has joined Data Systems for the project: International Business Machines, Armonk, New York, will furnish the host computing system based around 3090 mainframes; Computer Sciences Corporation, Falls Church, Virginia, will provide software conversion support; Gemini Computer, Inc., Carmel, California, will provide the secure communications processor; and Johnston Education Services, Alexandria, Virginia, will develop and conduct the HSRP training program.

The project will be managed by Data Systems from offices in the Washington, D.C. area.■

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Peterson Named Exec VP Of Aircraft Systems Division

Rothenberg is Allied president; Denien heads LLV

On July 21, the Grumman board of directors approved the following appointments: Ron Peterson, executive vice president of the Aircraft Systems Division; Len Rothenberg, president of the Allied Division; and Bob Denien, president of Allied's LLV (Long Life Vehicle) Division.

As Aircraft Systems executive vice president, Peterson becomes the second in command and is responsible for day-to-day operations. He reports directly to Division President Pete Oram.

Since he joined Grumman in 1959, he has held a number of program management posts including the KA-6D program. He was named president of Grumman Energy Systems in 1977, and its chairman two years later. In 1981 he was elected vice president-Development for Grumman Corporation. In 1984, he was appointed Grumman Allied president.

Rothenberg had been president of Allied's LLV Division in Montgomery, Pennsylvania, since 1987. This Allied unit makes aluminum trucks for the U.S. Postal Service. From 1985 to 1987, Rothenberg was president of Grumman

Emergency Products, an Allied unit that manufactures fire fighting and other emergency vehicles.

He joined Grumman as a member of the Lunar Module team in 1963. Before taking over Emergency Products, he was vice president and general manager of the Allied Energy Systems unit.

Denien had been vice president-Integrated Logistics Support for the Grumman Aircraft Systems Division. He began his

Grumman career in 1962 and held a number of program management positions in Integrated Logistics Support. From 1980 to 1983, he was assistant to the president of Grumman Aerospace. He returned to ILS and in 1986 was elected vice president of that group.■

Kinnear, Barry Elected To New Posts In Washington

On July 21, the Grumman board of directors named George "Gus" Kinnear II to the new position of senior vice president of the corporation responsible for long-range planning and related liaison in government relations. In addition, Peter Barry was elected vice president-Washington Operations.

Kinnear had been senior vice president-Washington Operations

for Grumman since 1986. In his new position, he will be freed from the day-to-day responsibilities of managing the company's Washington office and will be able to devote full time to setting and pursuing long-range goals for the company and its programs.

During his 37-year naval career, he held numerous high commands including the commander of the naval air force of the U.S. Atlantic Fleet. After retiring as an admiral in 1982, Kinnear joined Grumman International as its vice president-Washington Operations. In 1985 he was elected vice president-Washington Operations for Grumman Corporation.

As vice president-Washington Operations, Barry is charged with

maintaining Grumman's corporate presence in Washington. He is responsible for the 30 employees in the Grumman office who work as liaison to the various branches of the federal government and customers in the area.

Barry had been president of Hartman Systems of Huntington Station, N.Y. Hartman, is a division of Figgie International, Inc., and is a manufacturer of integrated electronic systems and products.

Both Kinnear and Barry report to Chairman and President John O'Brien.■

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Lifesaving Detail. *At Emergency Products' Roanoke, Virginia, plant, Mike Mitchell works on an aluminum-model FireCat. He is installing piping for the firefighting vehicle's hose reel.*

Thirty-Three More Grummanites Undergo Total Quality Training

During the week of July 25, more Grummanites from the Aircraft Systems and Data Systems Divisions were trained in the Total Quality Process.

Two other groups from the Aircraft Systems Division have already gone through the training. The group from Data Systems is the second from that division to be trained. During the seminar, each group splits up into two action teams. Each team works on a problem relating to its business area.

One Aircraft Systems team will address the issue of retaining younger employees. The second team will tackle the rework problem.

Members of the first team are: Frank Campbell, director, Personnel Relations and Services; Bob Ohrtman, director, Engineering Operations Administration; Eileen Nelz, manager, EA-6B Budgets Planning and Controls; John Cerzniak, director—Business Office/Bethpage Operations; John Ricciardi, director, Design Assurance; Bernie Laib, F-14 procurement manager; Glenn Spacht, deputy director—Engineering; and Walter Fruth, section head, ILS Test Program Sets Engineering.

Means Grumman Quality

On the second team are: Roger Carpenter, manager, Quality Engineering; John Culleton, technical staff, Design Engineering; Ralph Mastrole, deputy general manager, Parts Fabrication Center; Andy Ballow, director, Material Control; Bob Reinig, section head, Liaison Engineering; Don Reuss, director, Production Control—Program Management; Al Johannsen, ILS program manager, EA-6B Production and Retrofits; and John Cunniff, director, Advanced Projects.

At press time, the Data Systems group had not yet divided into teams or selected projects. Members are: John Belmont, deputy director, Information Services and Operations; Philip Gandolfo, assistant controller; Bill Eager, deputy director, Program Management; James Guinaw, deputy director, Customer Requirements; John Harof, director, Material; Dick Higgins, director, Administration; Dave Holtje, vice president - Divisional Accounts; Tom Kelly, vice president, Information Resource Management; Rob Kelly, director, Technology; Bruce Levy, director, Washington Engineering Operations; Gene Lowe, deputy director, Engineering; Paul Muzio, director, Special Systems; Mario Panzarella, deputy director, Engineering; Rick Rosello, vice president, Grumman Systems Support; Charlene Russert, vice president, Grumman Data Systems Institute; Wes Stout, director, Communications; and Bill Waas, vice president, Grumman Systems Support.

Data Systems Opens A New Building For DMMIS

On July 18, Grumman Data Systems cut the ribbon on a new facility in Fairborn, Ohio. The 60,000-square-foot building in the Wright Executive Center will be headquarters for the Depot Maintenance Management Information System (DMMIS) Program.

"DMMIS gives Grumman the opportunity to staff a facility in the Dayton area that we are very proud of," says Bob Myers, Data Systems president. "We look forward to working closely with the Air Force and showing them a great performance on this program."

Joining Myers at the ceremony were: Brig. General James Hopp, Air Force Logistics Command deputy chief of staff, Systems and Communications; Samuel Greenwood, assistant deputy chief of staff, Systems and Communications; and Colonel David Crippen, United States Air Force, DMMIS systems program operations.

The $17-million DMMIS contract was awarded to Grumman in January by the Air Force Logistics Command, Wright Patterson Air Force Base, Dayton, Ohio. If all options are exercised, the 12-year contract could be worth $84 million.

DMMIS is part of a large Air Force modernization program called Logistics Modernization System. The DMMIS program calls for the development and installation of an on-line management information and operations system for aircraft maintenance, maintenance materials and supplies, and related support equipment at the Air Force's five Air Logistics Centers located throughout the United States, and the Aerospace Guidance and Metrology Center, Newark, Ohio.

The new three-story facility will accommodate approximately 100 engineers, computer programmers, systems analysts and technicians assigned to the program, plus 40 or 50 subcontractors.

In addition, Grumman offices and DMMIS training facilities will be set up at each of the five logistics centers and the Metrology Center. "It's important to be close to our customers," says Ron Bury, DMMIS program vice president. "That's a big reason why we chose Dayton as the program's headquarters."

Data Systems had occupied 9,000 square feet of space in a building also in the Wright Executive Center. However, larger quarters were needed to accommodate the increase in staffing requirements for DMMIS. "Our new facility has more than six times the floor space than the older location," says Myers.

All of Grumman Data Systems' Dayton area activities will be managed from the new facility, which will include computer laboratories, software development and test facilities, and training areas for DMMIS. Air Force personnel assigned to the program will occupy the second floor of the building.

The facility's new address is: 2850 Presidential Drive, Wright Executive Center, Fairborn, Ohio. ■

Welcome To Dayton. *During the recent Data Systems ribbon cutting, Ohio Senator David Hobson (L) welcomed Grumman to the Dayton area by presenting Bob Myers, Data Systems president, with the Ohio flag. The ceremony marked the opening of a new building for work on the Depot Maintenance Management Information System (DMMIS) program. Also pictured here are: (second row, L to R) Ron Bury, DMMIS program vice president; Samuel Greenwood, assistant deputy chief of staff, Systems and Communications; and Brig. General James Hopp, Air Force Logistics Command deputy chief of staff, Systems and Communications. (Photo by Rich Breunig)*

Grumman World — Vol. 7, No. 15, August 5, 1988. Published twice a month for active and retired employees of Grumman Corporation. 1111 Stewart Ave., Bethpage, N.Y. 11714. W.B. Jones, Vice President-Public Affairs.

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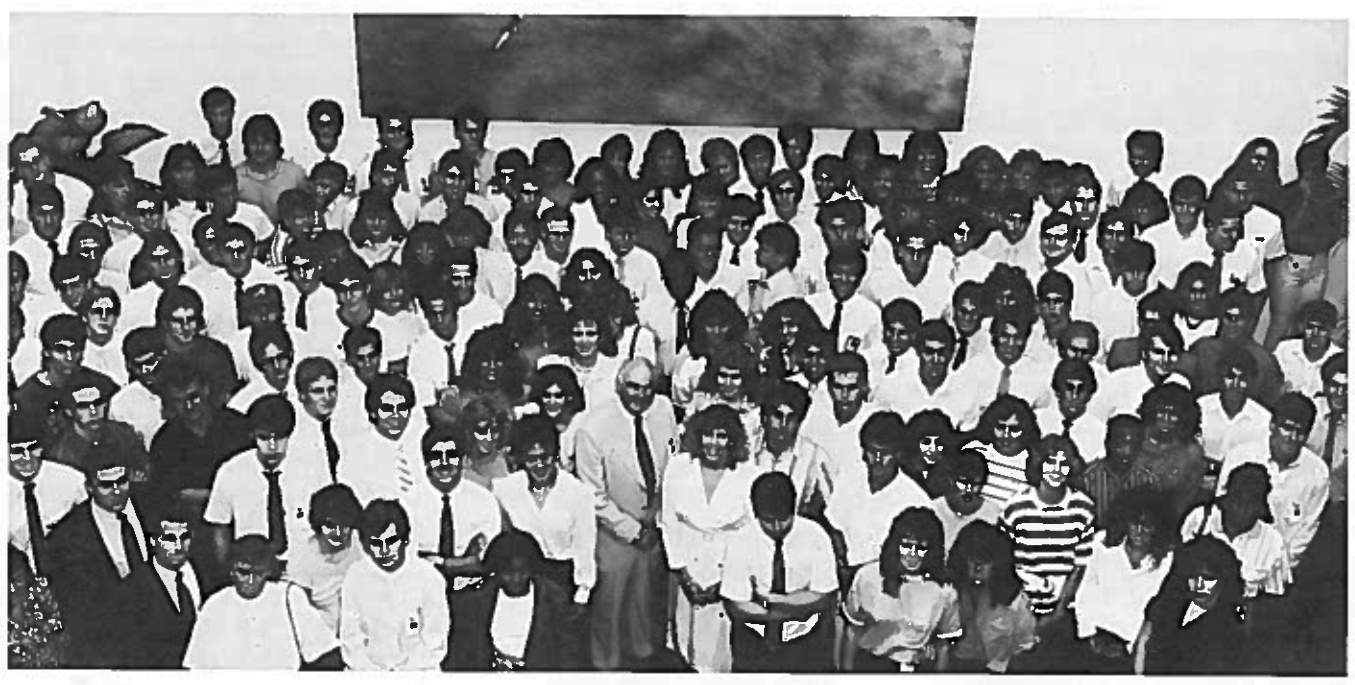


Say Cheese. *A few weeks before he retired, Jack Bierwirth spent a few hours talking with Grumman summer employees in Corporate Headquarters. (Photo by Marie Trimborn)*

Grumman Rookies Get Tips From A Veteran

He called it "a zero-year pin meeting." A few weeks before his retirement as Grumman chairman, Jack Bierwirth spent two hours talking with Grumman summer employees in the Headquarters theater.

He offered career advice to the college students during a question-and-answer period. "Don't choose a job based on salary alone," Bierwirth said. "Pick something that will satisfy you emotionally, and challenge you intellectually. Don't pick something dull just because it pays a little better, and then turn into a person who hates to go to work every day. Pick a company that is worth your while."

Bierwirth told the students that he sees Grumman headed for its greatest expansion since the days of the Apollo program. "If we choose our projects well," he said, "we can decide where we go and what we do."

Good Security Involves More Than Locks And Burn Barrels

In a dark blue suit, Don Dwyer looks like an investigator. He works for the Defense Investigative Service (DIS), the government agency that keeps watch over America's military secrets.

"Even in this era of *glasnost*, foreign intelligence is business as usual," says Dwyer, chief of the DIS's Industrial Security Field Office, Garden City, Long Island.

The numbers of American citizens arrested for espionage have gone up dramatically in recent years. At the same time, Soviet bloc nations have increased the number of their officials working in the U.S., spies who work under cover of diplomatic organizations.

Defense employees can unwittingly fall prey to agents seeking classified information about classified weapons projects. Unclassified information has value, too: a foreign country can duplicate a system without the huge investment in money and brainpower required to develop it from scratch.

A large part of Dwyer's job is making sure Long Island's defense contractors have measures to keep classified information secure. Dwyer oversees firms ranging in size from two to tens of thousands of people. With 24,000 employees on Long Island, Grumman is his largest responsibility.

"Right now, there is a tremendous emphasis on quality in American industry," says Dwyer. "Quality is a vital part of employee performance. The same should hold true for security.

"Security isn't something the corporate security staff does — it's something you take upon yourself as part of your work routine. If handling classified documents is a fundamental part of your job, security awareness is necessary for you to do quality work.

"Think of the dozens of vital weapons projects at Grumman," says Dwyer. "If they were compromised, the impact would be devastating.

"The responsibility of safeguarding that information falls to the Grummanite. We in the DIS come in to do inspections and to give educational workshops. But on a daily basis, it's your duty."

Grumman received improved marks in the DIS's May inspection of Long Island facilities. That was a turnaround from a year ago, when the company was on the verge of an unsatisfactory rating. It was put on probation, security education was stepped up and security rules were tightened.

Dwyer attributes the change to improved employee attitudes, combined with the right support from management and supervision. His one gripe is that too often people think of security as "housekeeping:" they get rid of unneeded classified information; they encrypt computer disks; they lock up classified documents; and they cipher-lock their offices at the end of the day.

"Your workstation may be in order...but what about the conversation you had in the restaurant the night before?" says Dwyer. "That could be just as dangerous as a cluttered desk. Furthermore, nobody would ever find out about this compromising situation unless somebody reported it."

As a way to reduce the likelihood of that happening, the DIS and Grumman have curtailed the number of employees with confidential or higher security clearances. Five years ago, virtually all employees of the old Grumman Aerospace Corporation began work with at least a "confidential" clearance. No more.

"If people assume everyone is cleared, they don't keep their guard up as much as they should," says Dwyer. "Unfortunately, some people feel slighted when they receive a lesser clearance. It's not a judgment on character, but on that person's need to know classified information."

Since last year, supervisors have also been asked to play a more active role in security awareness. They remind employees of the rules, and they keep records of security violations. In addition, the Grumman personnel policy now has teeth: three security violations could cost you your job.

Supervisors make sure employees get help with personal problems, such as substance abuse and enormous debt.

"That's just good management — being sensitive to problems in employees' lives," says Dwyer. "But this is also a security matter: such situations have been shown to make people willing targets for foreign agents.

"Really, a company's security clearance is a *license* to do business with the DoD," says Dwyer. "These new procedures have served to remind people of that fact."

Key Item. *Frank Sposato, Proposal Operations manager, uses a card-key to enter the Data Systems Proposal Center in Building 237, Woodbury. Proper attitudes are the first step to securing sensitive information about government and company projects. (Photo by Bob Settles)*

Changes in the work force have brought changes in the tone of security-educational materials, and not only regarding age and gender. People who build military planes can see the connection with national security right away — that link may be less obvious to a person working on an electronic box or software program.

"Additionally, automated systems in general are making our job ever more complicated," adds Dwyer. "It's important to have computers properly enclosed, but you also must protect software against bugs that can get into the system and destroy your data.

"Today, computers are frequently interconnected; that means we have to make sure they communicate in a secure mode.

"It all gets back to this: every employee of a defense contractor has to realize that there's an ongoing threat," says Dwyer. "You have to assume that some day, somebody, somewhere will attempt to compromise you. You've got to be prepared."■

Fill It Up

To reduce the cost of car rentals, Grumman's Travel Operations strongly urges all Grummanites to return their rental cars to the agencies with a full tank of gas.

This represents a potential savings to the company because of the significantly higher price charged for gas by the local car rental agencies. They charge anywhere from $1.50 to $1.90 per gallon.

Personals

My family and I would like to thank all of the people at Grumman for their prayers, kindness and comfort upon the recent death of my husband Augie. I extend a special thank you to all of my friends at Great River, Electronics Systems Division, for their personal support and sympathy. **Marge Walsky**

The family of the late Anna Neznamy sincerely appreciates the reaching out in consolation and sympathy during our loss. **John Neznamy**

Our family wishes to thank all of our friends, co-workers, and ESO for their concern and many kind expressions of sympathy during the recent loss of our mother. **Patty and Mike Moore**

On behalf of my family and myself we would like to thank all our friends, co-workers and ESO for their kind expressions of sympathy during the recent loss of my mother Margaret. **John Armitage and Family**

My family and I sincerely thank all my friends, co-workers and ESO for their kindness and sympathy upon the recent death of my mother. We would also like to express our appreciation to those who contributed to the Cancer Society fund in her name. Thank you all. **Patricia Hopper**

My family and I wish to thank all of my friends, co-workers and ESO for their kind expressions of sympathy during the recent loss of my father. **Charles Doyle**

My family and I wish to thank all the Grumman family at Calverton and the ESO for the many kind expressions of sympathy and support during the recent loss of my father. **Dave Call**

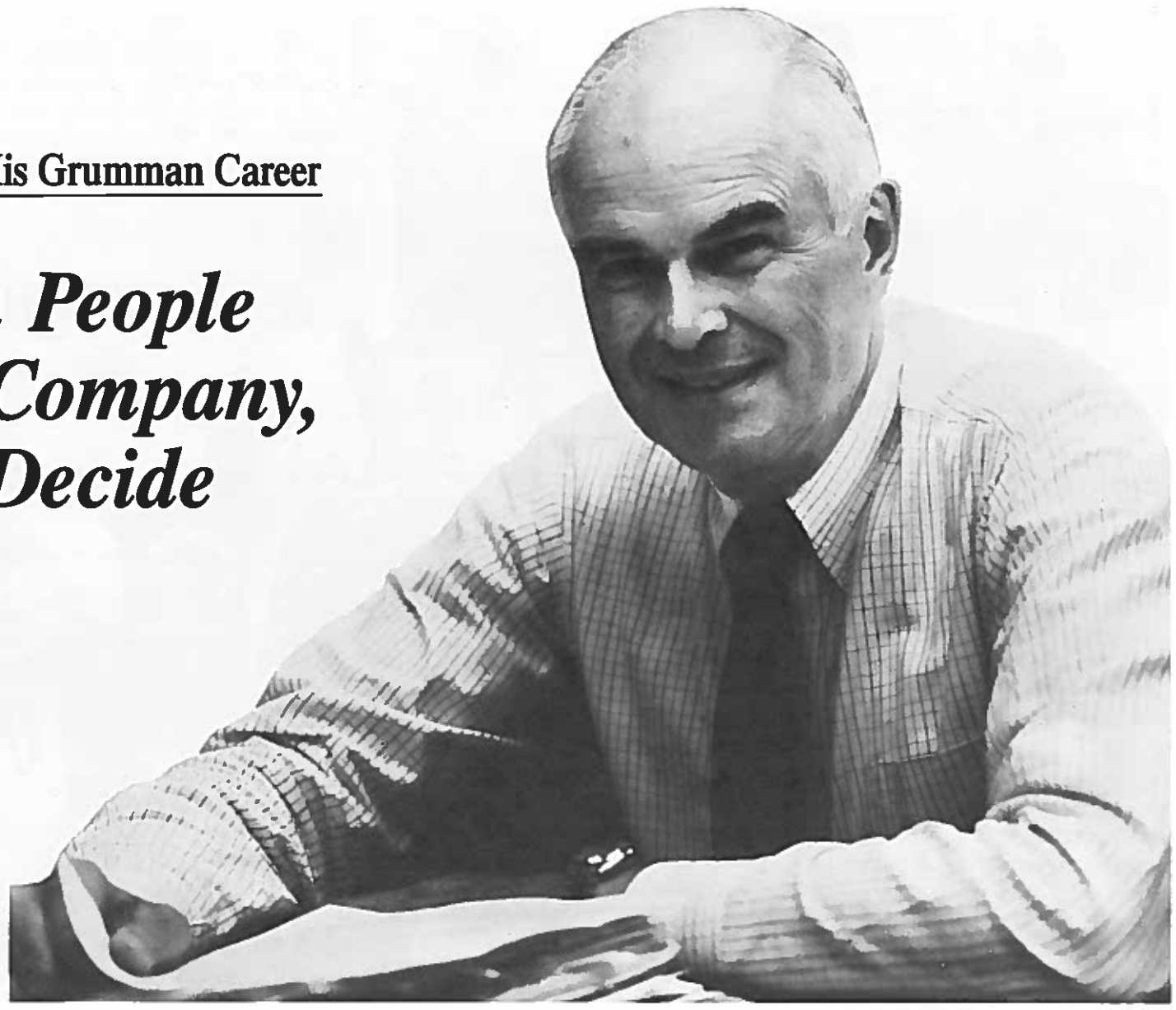
My wife Claudette, daughter Laura and myself wish to express our sincere and heartfelt thanks to my Grumman family of co-workers, friends and ESO for their warm expressions of sympathy which served to support us during our recent loss of my son John. **Gabe Golam**

My family and I sincerely wish to thank all our friends, co-workers and ESO for their concern, contributions and many kind expressions of sympathy during the recent loss of my sister Sharon. **Jerry Haser**

My family and I wish to thank all my friends, co-workers and ESO for their concern and kind expressions of sympathy during the recent loss of my father. **Thomas Marino**

Bierwirth Reflects On His Grumman Career

'Grumman People Own This Company, And They Decide Its Future'



The wall in back of the tweed sofa looks bare; the magnificent camphorwood dragons from Taiwan that graced it for years have been taken down. The souvenirs have been put away, books are piled up on the desk, and Grumman Chairman Jack Bierwirth is getting ready to go home.

Wanda Marcickiewicz, Bierwirth's secretary for 16 years, wanders in and out with phone messages and notes. Many of them are from environmental and civic organizations. Now that Bierwirth is retiring, a number of groups are seeking his support. Combined with some teaching at State University of New York at Stony Brook, his work in foreign affairs, and service on the boards of several corporations, retirement is starting to look pretty busy.

He is chairman of the Nature Conservancy-Long Island Critical Areas Program, and a member of the governing council of the Wilderness Society. Bierwirth is also a member of the board of trustees of the Yale-China Association.

In addition, he will be a senior management consultant to Grumman — "But I don't expect to be around much," he says.

"I really believe that when a chairman retires, he has to leave. There is a particular role for an ex-chairman to play. He should be around occasionally in a social way, to assist in the transfer of relationships with customers and friends. He should smooth that transition. And, if the new management has a problem and wants to talk, the ex-chairman should always be available. He shouldn't stick around to see if they take his advice, but he has to be willing to give it."

By a rule he set in place himself, Bierwirth may not serve on Grumman's board for two years following his retirement. But even when the two years are up, he does not plan to return.

"A lot of people who were chairmen of other companies have told me they find it difficult to give up a seat on the board," says Bierwirth. "But they soon find that they can't express their opinions except to say, 'Yes, that's a good idea.' The view of the ex-CEO gets undue credibility, and you don't want to become the focus of a dissident board group. You get out of touch very, very quickly when you're not there every day. You can be wrong and not know it, and become a terrible obstacle. So it's better for you, and better for the company, if you step away.

'...I had the extraordinary shock of being president of a company I had just met.'

"Clint Towl was the exception to that. You couldn't have had a more understanding or tolerant ex-chairman than Clint was. He didn't get into disagreements in the boardroom, even when I was recommending changes to policies he had put in place: policies that had been the right ones years earlier when he had made them. He has been very generous in his comments about how things have worked out since — but he showed a forebearance that few human beings are capable of!"

Towl, one of Grumman's founders, was chairman in 1972 when Bierwirth signed on as vice president for finance. Lew Evans was president. In the same month that Bierwirth arrived, Evans died of a heart attack; Bierwirth was elected president a few months later.

"That was a difficult time," Bierwirth says. "Lew Evans' death was very sad, and I had the extraordinary shock of being president of a company I had just met."

And that company had big problems. Grumman had a long-term, fixed-price contract to build F-14s for the Navy. The contract had been signed before inflation began to go out of control, and Grumman was losing tens of millions of dollars on the program. Bierwirth obtained additional financing and re-negotiated the contract with the Navy. These measures saved the company from certain bankruptcy. The follow-on sale of 80 F-14s to Iran added momentum to the rate of recovery.

"What I saw when I came here was that Grumman had exceptional capability," says Bierwirth. "With its enormous success in the Apollo program, Grumman had accomplished something many had said was impossible. But the Navy, virtually the only customer left in 1972, couldn't maintain that capability. The overhead represented too much per airplane produced. Grumman needed a broader set of customers and a lot more business to be able to afford its technology base."

'I was told that our chances of avoiding being taken over were about one in 20.'

Today Bierwirth is pleased with the widening of Grumman's product and customer horizons. He remembers vividly the struggles and the false starts it took to get there.

"Ultimately, it doesn't bother me that we made mistakes. If you reach out, you know that you're going to make some errors," he says. "You can point to the Flxible bus, to Dormavac, to a number of things we tried to make the company grow that didn't work out. But more of them did — and we have gradually built ourselves a product list that makes us stronger and more agile.

"The isolated, Long Island-bound Grumman had to participate in the world," says

(Continued on page 6)

'It's Time For Me To Step Away, And I'm Ready'

(Continued from page 5)

Bierwirth. "The Navy-dependent Grumman of the 1970s had to build on its expertise in electronics, space, truck bodies; it needed to become a more aggressive subcontractor, and it needed to establish a relationship with the Air Force. And, not understood by me in the beginning, was the necessity of establishing plants in other parts of the country where costs were more reasonable. We've had to adapt to changing economics."

'We've had to adapt to changing economics.'

He believes that divisionalization was an important part of Grumman's growth, making it possible to respond more quickly to all of Grumman's customers' needs.

The internationalization of Grumman is another part of the Bierwirth legacy. He came to Grumman from National Distillers, where for most of his career he had been in charge of its overseas petrochemical operations. His interest in the history and culture of other countries goes back further than that: to grade school, when he kept a scrapbook of the Spanish Civil War. Bierwirth's office holds carvings and statues and artifacts from his travels all over the world, especially South America and the Far East. It seemed to him when he came to Grumman that the company was missing important opportunities.

"I had to kind of coax Grumman into the international arena," he says. "In doing business overseas, your understanding of a country's history and culture are just as important as your knowledge of the technology you are offering them. At Grumman, our culture treated the technical explanation as the only one that mattered. To see Grumman adapt to my vision of what you need to do to conduct international business, and then see it do so well, has been very satisfying.

"And I think it has rubbed off in other ways," he says. "Grumman succeeded with the U.S. Postal Service because we really listened to what they wanted. We used our technical excellence to give them the best product possible, based on what they asked for."

Another Bierwirth policy led to the statement found on the top of this newspaper: "Employees are our major shareholders."

"I think one of the best things I did here was in implementing my philosophy that the people who work in the company should benefit from its successes," says Bierwirth. "Back in 1972, we had to stop all raises. I said to the board that people were working very hard and deserved a better break. At that time, the company matched employees' contributions to the investment plan at 25 cents for every dollar they put in, up to four percent of their income. I asked the board to change the match to 50 cents. Since we were near bankruptcy, the stock price was low. And since the job longevity picture was cloudy, the savings rate was high. The result was a tremendous rate of stock acquisition. Later on, we made it a floating match — anywhere from 50 cents up to a dollar, depending on Grumman's performance.

"What I didn't anticipate was the wave of takeovers and acquisitions that started in the late 1970s," says Bierwirth, "or that our stock ownership would give us protection from being acquired against our wishes."

But when the raiders from LTV Corporation showed up at Grumman's door in 1981, the conventional wisdom was that Grumman's independence was over.

"I was told that corporations didn't survive a takeover attempt," says Bierwirth, "or at least that they didn't survive intact. I was told that our chances of avoiding being taken over were about one in 20. I was advised to make a deal: to find someone else to acquire us if we didn't like LTV."

Bierwirth and the board of directors didn't like anything about the arrangement offered by LTV. "It wasn't good for our company, our community, or our shareholders. So we fought it."

The fight was to include the purchase of a million shares of stock by the pension fund, employee rallies, advertising on the radio and in newspapers, and a letter-writing campaign — all aimed at maintaining control of Grumman's destiny. At the height of the battle, employees carried posters that said, "You Can't Buy A Family," and hired a plane to fly over Bethpage, trailing a banner that said, "Beat 'Em Back, Jack." Bierwirth and Grumman beat them back in about two months.

"The board was terrific, the community was terrific, and Grumman people were just magnificent," Bierwirth says. "My wife Marion's thinking and advice have always been very important to me. But in those few days, her confidence in my ability to make the right decision and her steadfastness and encouragement were crucial to me.

'Without those investments, we'd be a smaller, less competent, and less exciting place.'

"The final result of our takeover crisis was this certainty:

Fight For Independence. *In 1981, Chairman Jack Bierwirth led the fight to keep Grumman independent when LTV tried to take over the company. At a rally (photo at L) in Building 4, Bierwirth is surrounded by fellow Grummanites. A group of Grummanites arranged for a flag (below) to fly over Bethpage trailing a banner than read: "Grummanites Say Beat'em Back, Jack.'*

Family Picnickers. *Jack Bierwirth and his wife Marion (above) have attended almost all of the Grumman Family Picnics since 1972. Talking about his tenure as Grumman chairman, Bierwirth said, 'Jobs like this put a lot of pressure on one's personal life. Marion and I understood that, of course — but spending more time with her and the family is awfully important to me now.'*

Grumman people own this company, and they decide its future. We came out of the whole thing tougher and better. Grumman is still virtually unique in its survival and subsequent growth."

Bierwirth's belief in employee ownership had another unanticipated benefit: it permitted the company to invest in research without looking back over its shoulder.

'I was told that corporations didn't survive a takeover attempt, or at least that they didn't survive intact.'

"When you spend on research, it naturally drives down your earnings," says Bierwirth. "Wall Street reacts by dropping the price of your stock — which makes you worry about becoming a takeover target. We don't particularly want the sort of investors who are just in for a fast dollar. The vast majority of our investors are employees, retirees and friends of the company, and they're in for the long haul. They want us to grow and develop, and they understand that when we spend on research we're investing in Grumman's future.

"Our investments over the past few years have yielded some important programs and technologies: Joint STARS, space-based radar, BSTS, enhanced capabilities for our aircraft, automatic test equipment, lots of things," he says. "Without those investments, we'd be a smaller, less competent, and less exciting place. We wouldn't have much of a future, and we'd probably be ready to be taken over."

Bierwirth is credited with making Grumman more prominent in the state political arena through his work on the New York State Business Council. He was appointed by Governor Mario Cuomo as an original member of the Council on Fiscal and Economic Priorities. The council's 21 business, labor and academic leaders advise the governor on spending, capital development, human resource development and other state policy issues. Bierwirth encouraged other Grummanites to serve on state committees.

"I think we did some good; not just for ourselves, but for the state generally," Bierwirth says. "It's important for us to understand the system and participate in the debates.

"However, the most disappointing part of this has been the negotiations between LILCO and the state. That has been a tragedy for the people of Long Island, in my opinion, and for the people of New York State."

While Grumman has always prided itself on being a good corporate citizen, Bierwirth has put his own touch on that, too.

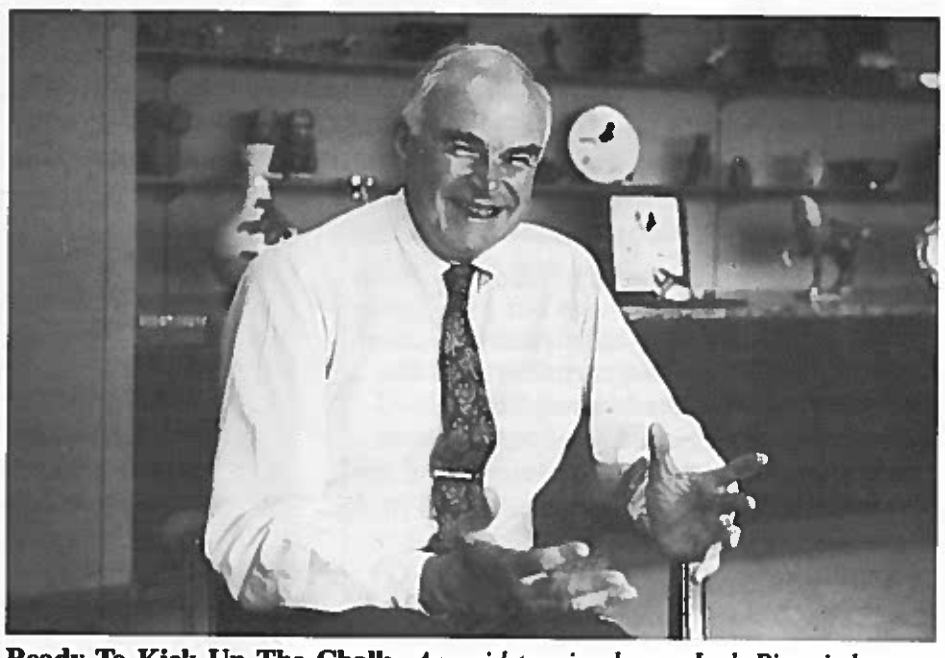
"I'm especially proud of our Contributions Council," he says. "We have always given money to worthy causes in the communities where we do business. But when I came here, contributions decisions were made by officers of the company. Frankly, they couldn't devote much time to it; that's how it works in practically every company that comes to mind. That seemed out of character for Grumman. I wanted more Grumman people to have a voice in how we spend that money. Today, a council of Grummanites from all over the company evaluates and selects the groups we assist. They do a wonderful job, and they are a reflection of what makes this company special."

'Grumman needed a broad set of customers and a lot more business to be able to afford its technology base.'

Bierwirth is happy with the programs and plans he put in place. "But it's time for me to step away, and I'm ready," he says. "Jobs like this put a lot of pressure on one's personal life. Marion and I understood that, of course — but spending more time with her and the family is awfully important to me now.

"I have every confidence in John O'Brien, the vice chairmen, and the division presidents. They're working beautifully together, and they've engaged the support and enthusiasm of Grumman people.

"Grumman is a wonderful place with kind, talented, wonderful people; it's an extraordinary company with a very exciting future. I'll be watching — and expecting great things."■



Ready To Kick Up The Chalk. *An avid tennis player, Jack Bierwirth looks forward to spending more time perfecting his game on the courts.*

Where High Technology Means Haute Cuisine a la Grumman

The aromas of the aerospace industry are many: the smell of kerosene on the flight line, machine oil in a shop or the filtered air of a computer room. But how many aerospace companies can say that a typical aroma in one of its workplaces is the sweet smell of fresh sage?

Grumman can. The herb's aroma can be found at the Grumman-owned Linden Tree Restaurant.

The "Tree" is named for the three stately linden trees that shade its wide front lawn. The building on the street behind the famous "blue ball" atop Building 5 was the old McGunnigle farmhouse.

Grumman first used the farmhouse for office space. (*Grumman World's* predecessor, *Plane News*, once was housed there.) In the early '70s it became a company dining room.

"In May of 1974 the dining room opened to the public as the Linden Tree Restaurant," says Jerry Vanella, vice president, treasurer and assistant secretary of Paumanock. The restaurant is a subsidiary of Grumman's Paumanock Development Corporation, which handles the company's real estate activities.

The Tree's relationship to Grumman has been a culinary Catch-22. "We really don't get as many Grumman people coming here as you would think. And there are still people coming in who say they thought it was open only to Grumman employees," says head chef Keith O'Donnell.

The aroma of the sage floats gently in the air as O'Donnell breaks off a few of the pressed, paddle-shaped leaves from a stem. He arranges them on the side of a plate with thin rods of fresh chives and sprouts, like reeds in a pond.

On another plate he creates a "flower" to set off a huge serving of thick, white sole wrapped around asparagus. Lettuce greens form the leaves. For the blossom, he slits a cherry tomato six times from bottom to top. The cuts are just deep enough to free the skin but not so deep that the seeds inside are disturbed. He opens the flower by pulling back the skin, then sets it in the center of the greens.

"I'm picky about presentation," says O'Donnell, a graduate of the Johnson and Wales culinary school in Rhode Island. "This is not the type of place where we throw a piece of parsley on the plate. I don't let anything go out of the kitchen if it isn't a showpiece."

In this very competitive business, anything from presentation to taste to subtle things, such as a waiter who bangs your dish on the table, can determine whether or not a new customer becomes a regular.

O'Donnell spent seven months in Ireland in a management training program. Weekdays there he spent learning every possible job at the Limerick Inn; on weekends he worked at a restaurant called the Thatched Cottage. "It was owned by a German and an Italian. They served continental cuisine and would have afternoon teas."

His chefs trained at either Johnson and Wales or the Culinary Institute in New York.

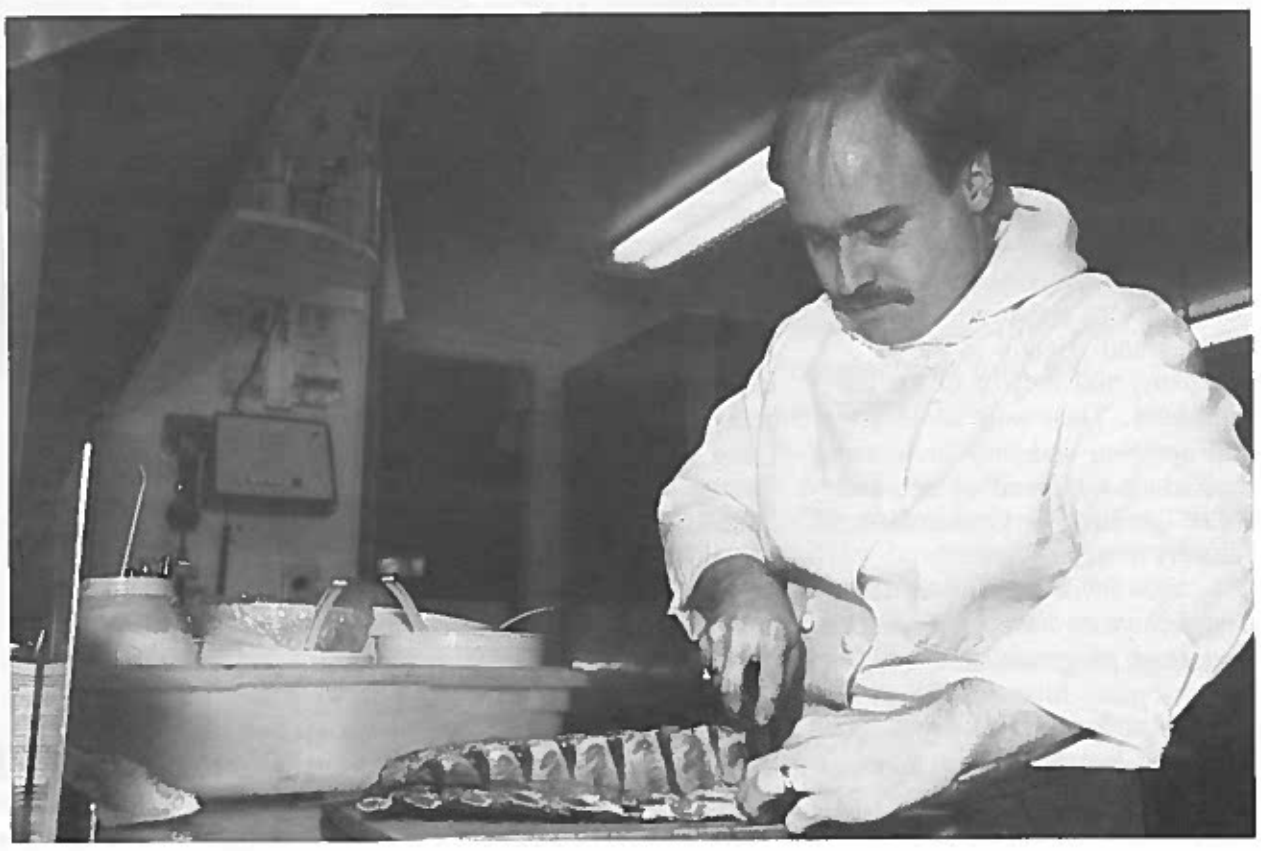
More importantly, says operations manager Al Contessa, who climbed to the top of the Tree after starting as a busboy 12 years ago, "We try to make our customers feel like they are home. We try to create a family atmosphere."

"Family" here does not mean fast food atmosphere. The elegant dining room is decorated in red with fine wood trim. When children are there it often means there is something like a graduation to celebrate.

The Tree's management celebrates the fact that the quality of their food has always been high while the price has been relatively stable, and competitive.

"In the 12 years I've been here we have only changed the prices three times," says Contessa. "The last time we raised prices was two years ago. Everybody else was charging $16 for a sirloin steak and we were still charging $14." But even today their well-aged sirloin is only $18.

Even at $12.50, the top of the regular luncheon menu — a seafood salad filled with fresh Alaskan king crab, shrimp and crab claws — reflects what you pay for: quality.



Finishing Touch. *Tom McGinn (above) is about to make a customer happy with this presentation of broiled Danish lobster tails. Head chef Keith O'Donnell (at R) prepares a rack of ribs. He 'grew up in the catering business.' He's committed to serving good-sized portions with beautiful presentation. 'We believe in giving you your money's worth,' O'Donnell says. (Photos by Bob Settles and Marie Trimborn)*

You Say Heat Treat, They Say Saute. *They are a part of the Grumman family, but fine cuisine is the product of (L to R) Al Contessa, Debbie Nunziato, Steve Calcanes, Keith O'Donnell, Richie Velasquez, Pat Toto and the rest of the staff of the Linden Tree Restaurant.*

That drive for quality pervades the kitchen, which can be mad with activity. Contessa and his chefs and waiters prepare early, have ingredients ready for the lunch rush, then "Go! Go! Go!"

While watching seven different entrees on the fire, they must pay special attention to the broiling veal chop for the regular customer who'll send it back if the pink meat in the center is more or less than a quarter-inch thick. Table four's guests are ready for their entree. The gentleman at table seven wants very little sauce on his veal Marsala, and there are three orders of filet of sole meuniere in the broiler that they better not let go any longer....

Then they do it all again for dinner.

In a quiet moment, Rich Velasquez has time to explain to a visitor about endive, a white vegetable shaped like a very small unhusked ear of corn. He's preparing it for a salad. "It's grown in Belgium," he says as he opens the heavy box that's lined with thick, purple paper. "That's to protect it from the light. Endive doesn't see light until it's used."

While he's capping escargot with generous dollops of garlic butter, an order comes in for a turkey-club sandwich on toast. Turkey club? It's not even on the menu.

Nonetheless, the customer gets perfect toast and thick layers of meat. It's the kind of sandwich you'd make for yourself, with one exception. Velasquez puts it on one side of a dinner plate over sprays of raddichio and next to a mound of fresh fruit. The reds and yellows of the vegetable and fruit are beautiful. No deli ever served a sandwich as pretty as this one.

It's the peak of lunch time; time to serve most of the main courses. O'Donnell is busy broiling sole wrapped around asparagus spears and sauteing medallions of veal.

With a towel wrapped around his hand he grabs the hot metal handle of the saute pan and shakes the veal over the burner. Moving to his left he opens the broiler. With a chef's fork he gently, gently, lifts the sole from the broiling plate.

Carefully he transfers the main courses to their decorated dishes. Velasquez spoons roasted potatoes and steamed zucchini into side dishes. A waiter comes in to pick up the order. "The soup was awesome!" he tells the chefs. The thick, buttery seafood chowder was a hit.

"We really try to give our customers what they want," O'Donnell says as he takes his broiler plates to the dishwasher and starts to worry about tomorrow's menu specials. "People are eating lighter now. Occasionally we will put some Cajun specialties on the menu because that type of cooking is popular."

Satisfied Customers. *Fred Stanwise (L) and Milt Weinberg, who are partners of Wise Planning Corporation, have been Linden Tree lunchtime regulars for some five years. 'It's a fine restaurant,' says Stanwise. 'They treat us well.'*

O'Donnell says they will serve anything a customer wants...with a little notice. For example, one regular customer loves shad roe, which is best in the springtime. They call her when it's available.

The Linden Tree is not only an ideal place for a business lunch or a special supper with friends; it's beginning to emphasize its catering services.

"We have a room that can hold 60-70 people, or someone can have the whole restaurant on a Saturday afternoon or all day Sunday," says Vanella. The Tree can handle parties of up to 135 people. "For one wedding we even set up a tent on the lawn. It worked out very well."

"We can tailor our services to suit the needs of any affair," says Contessa. "We are anxious to show our fellow Grummanites who are planning a party just what we can do in catering. And we are very competitive."

For something smaller, a late business dinner perhaps or a small party, you can have the Queen Anne room upstairs. The cost is only $30 extra (and a couple of weeks notice to be safe). The room has its very own china and can seat up to 10, or just two.

"Last week we had an engagement party there," Velasquez says. "A guy rented the room so he could propose to his girl friend."

For dinner reservations or for information about holding a party there call (516) 822-3700.■

Taste Of The Tree At Home

Want to try a Linden Tree recipe at home? Here's one from head chef Keith O'Donnell. It's a Cajun dish called Veal Tasso. To whip it up you need:

1 lb. veal
1/4 lb. tasso ham (or prosciutto)
1/4 lb. lump crabmeat (warmed)
1 teaspoon shallots
1/4 cup white wine
1/8 teaspoon cayenne
1/8 teaspoon ginger
1½ cups demi-glace*

Slice the veal into medallions. Dredge them in flour, then saute them in oil for two minutes on both sides. Put them on a serving tray and keep them warm.

Add the shallots and ham to the pan and saute four minutes. Add white wine. Deglaze the pan. Add the demi-glace with the ginger and cayenne and reduce to make sauce. Place veal in pan and top off the lump crabmeat. Serves 6. Enjoy.

**Demi-glace is a reduced stock from browned beef bones boiled for four days. If you're in a hurry, make a brown stock using boullion cubes, onions, carrots, etc.*

Planes, Trains And Grumman Family Picnickers

"When I was a kid, first came Christmas, the Grumman Family Picnic, and then the rest of the holidays," said George Poletti, a radar engineer in Building 1.

Poletti attended his first Grumman Family Picnic 33 years ago when his father worked at Grumman. He's been to every picnic since. This year, he brought his son and some friends. "And I hope to bring my grandchildren someday," says Poletti.

Over 5,000 Grummanites and their families attended the 1988 Family Picnic at Calverton on Long Island.

Karen Christ, a systems engineer in Building 14, remembers riding the train that ran around the picnic grounds over 20 years ago. That was when she attended the picnic with her dad. "All year as a kid I looked forward to riding that train," said Christ. "Now I'm a Grummanite myself and although I'm here with my co-workers, I still can't wait to ride that train."

The Rapuano clan showed up at 8 a.m. for breakfast. They were a group of 17 that included Frank Rapuano's two children, John, 2, and Jennifer, 4. "This is my kind of living," says Rapuano, an accountant in Grumman Headquarters. "The kids love the rides, the games, the food — it's just a great day."

In addition to the 10,800 hotdogs consumed, more than 7,300 ears of corn on the cob were munched on — washed down with 60 kegs of beer and 15,000 cups of soda.

For the Chesnut family, however, the aircraft on display were the main attraction. "Those are the missiles, right Dad?" asked nine-year-old Bobby Chesnut pointing to the F-14 A(PLUS). "I want to fly in one of these planes someday."

Flight crews answered questions about the F-14, A-6 and EA-6B. And to complete the picture, an E-2C surprised the crowd when it flew over the picnic grounds.

Jack Bierwirth attended this year's picnic for the last time as Grumman chairman. "I get very emotional when I think about what a terrific organization Grumman is," said Bierwirth. "Isn't it incredible the way we all feel a part of this company? There is so much spirit and so many good feelings."

There was plenty of spirit. While the kids competed in the 40-yard dash and sack races, adults were entertained by the Grumman Employee Band. Hoskinsons Animals of Distinction amazed the crowd with some of their stunts and magic — including a poodle that walked a tightrope.

"This is one of the best picnic days I've seen," said John O'Brien, Grumman President and Chairman. "A picnic like this is so important to a company. It gets everyone to mingle and meet people they may not see otherwise. I know I'm getting to talk with a lot of people.

Gerry McMahon, manager of Employee Services, the department that organizes the picnic, said he was very pleased with the outcome. "We had a good size crowd, and the weather was terrific," said McMahon. "That's success to me. The aircraft brought in a lot of people. We hope to have the planes on display again next year."■

A Lot Of Fun. *Folks attended this year's Grumman Family Picnic for many reasons. While some came to see the aircraft on display, others enjoyed the races, clowns, animal show, hotdogs and corn on the cob. (Photos by Karl Thoma and Gerry Costello)*

You May Be Able To Deposit A Lump-Sum Into Your EIP Account

The following is another in the continuing series of articles on the Grumman Employee Investment Plan.

Your Aunt Millie left you a little windfall and you'd like to put the whole amount in your Employee Investment Plan account. How much can you put in? That depends, says Charlie Marino, senior administrator of the EIP.

As an active member of the Employee Investment Plan, you may be eligible to make cash deposits to your account beyond your ordinary payroll contributions. These lump-sum deposits can be made to replace dollars you had previously withdrawn or to bring your savings up to a higher level.

All lump-sum contributions are treated as regular (after-tax) supplemental contributions — even if you are replacing previously withdrawn deferred pre-tax contributions. "As regular supplemental contributions, your lump-sum deposits can be withdrawn at a later date in accordance with Plan regulations," says Marino.

If you have withdrawn funds from the EIP, lump sum contributions enable you to catch up — replacing that money (subject to IRS regulations) when your financial situation allows. In addition, if you have not been making maximum supplemental contributions since you first joined the Plan and want to increase your supplemental savings, you can make voluntary lump-sum contributions within the annual limits set by the IRS.

If you have always contributed the maximum amount permitted by the Plan (four percent ordinary and 10 percent supplemental or a total of 14 percent), you are at the limit set by the Plan and cannot make a lump-sum contribution.

"The Tax Reform Act of 1986 applied new rules governing withdrawals from the EIP," says Marino. "The new rules require that any withdrawals of lump-sum amounts contributed after January 1, 1987, be distributed partly from the lump-sum balance and partly from its earnings. The earnings are subject to ordinary income tax *as well as a 10 percent penalty* in most instances if you are under the age of 59 1/2."

The IRS also imposes annual limits on voluntary contributions to the EIP and on restoring funds previously withdrawn. In any calendar year, your total contribution to the EIP — regular and deferred contribution, the company match contribution, and your supplemental contribution plus your lump-sum deposits — cannot exceed $30,000 or 25 percent of your base pay. Your base pay is your annual base salary after deferred EIP contributions and pre-tax salary reductions such as flexible spending accounts.

Follow these steps when you make your lump-sum contribution to your EIP account:

- Contact the EIP Office (516-575-7250) and a representative will calculate the lump-sum or replacement contribution you can make. The minimum amount is $500; all contributions are determined by IRS annual limits.
- Complete a Lump-Sum Investment Receipt Form, which is available from the EIP office in Headquarters. You will have to indicate on this form into which EIP fund or funds — equity, fixed income, or guaranteed income — you wish to deposit your contribution. Lump-sums can't be contributed in the company stock fund.
- Return your completed Lump-Sum Investment Form (retain pink copy for your records) along with a bank or certified check for the total amount of your contribution, payable *solely* to Bankers Trust (the record keeper of the plan), to the EIP office five Grumman business days before the last business day of the month in which you want to make the deposit.■

Unit Values

The Employee Investment Plan's unit values as of June 30 (compared to May 30 figures) were:

Equity Fund
4.373 up from 4.178

Fixed Income Fund
6.177 up from 6.050

Guaranteed Income Fund
2.811 up from 2.788

Company Stock Fund
$21.87 up from $19.81

U.S. Treasury Changes Savings Bond Payroll Plan

The U.S. Treasury Department has announced a change to the U.S. Savings Bond payroll savings plan.

Since February of this year, $100 Series EE savings bonds are the minimum denomination available to new participants. In addition, $500 Series EE savings bonds are the maximum denomination available to all participants in the payroll savings plan.

However, the Treasury emphasizes that those people already receiving $50 and $75 bonds through payroll savings may continue to do so. The $50 and $75 denominations will continue to be available through over-the-counter purchases at financial institutions.

Grummanites can sign up for the U.S. Savings Bonds payroll program by filling out a form available at all Employee Services offices.

A Fare Break

Effective through August 31, 1988, Grumman has arranged for corporate discount airfares with United Express Airlines. The airfares are:

Islip—Washington $79
Islip—Melbourne $198
Islip—Daytona Beach $198
Islip—Wilkes Barre $119
Washington (Dulles)—Melbourne $177
Washington (Dulles)—Daytona Beach $177
Washington (Dulles)—Wilkes Barre $83

A Grumman I.D. badge may be requested on a random basis by airport personnel. There are no other restrictions applied to this special fare. When traveling on your next Grumman business trip, contact Austin Travel, (516) 575-8511.

Readership Survey

We don't want to do all the talking. We'd like to know what you think about the things you see in these pages. Your comments, suggestions and complaints are welcomed. Please take a few minutes and give us your opinions.

Article	Great	Good	Poor	Didn't Read
O'Brien elected chairman (P. 1)	☐	☐	☐	☐
DMMIS building (P. 3)	☐	☐	☐	☐
Security (P. 4)	☐	☐	☐	☐
Bierwirth (P. 5)	☐	☐	☐	☐
Linden Tree (P. 8)	☐	☐	☐	☐
Picnic (P. 10)	☐	☐	☐	☐
EIP (P. 11)	☐	☐	☐	☐

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August 5, 1988

(Photo by Rich Breunig)

Material Witness

Materials engineer Dick Truran tests a stretch-acrylic plexiglass in the Elements and Materials Test Lab, Building 12, Bethpage. The material is being evaluated for the F-14 Tomcat's canopy. Grumman plans to equip the Tomcat with a one-part canopy, which would be less costly to produce and last longer than the current three-part one. In testing, one side of the plexiglass specimin must be heated to 310° F, the other to 140° F. Those are the temperatures the canopy would encounter at Mach 2.4 — outside and inside. Measurements are also taken of tensile strength and rigidity.

Sleep Cheaper

On your next Grumman business trip, make sure you use Grumman's corporate ID No. 133167 to obtain a government rate at over 700 Holiday Inns.

In addition, coupons for 10 percent off dinner, free continental breakfast and free room upgrades, when available, are part of Holiday Inn's special amenities package offered to government contractors through September 30, 1988.

To obtain your discount coupons and federal government contractor I.D. stickers, send a note to Josephine Brune, A05-117.

Grumman History Goes Under Cover

Most likely we will tell stories of Grumman to our children and grandchildren for years to come. But there is a lot of Grumman history that took place before any of us were ever aware a Grumman existed.

A new book titled "One Of A Kind—The Story Of Grumman" by aviation writer and historian Bill Gunston, is available through Employee Services for $10.25.

The book traces the development of Grumman and its aircraft from the 1930s to the present. Grumman worked closely with the author and the publisher during the book's preparation and is able to offer "One Of A Kind" to employees at an extreme discount.

The identical commercial version of the book titled "Grumman—60 Years Of Excellence" is being sold through bookstores throughout the country for nearly twice the price.

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